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SUBJECT: ARMENIA NEWS HIGHLIGHTS: SEPTEMBER 1-12, 2007

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## 2. FM: ARMENIA READY FOR AN "EFFECTIVE POLITICAL DIALOGUE" WITH NATO, WILL DOUBLE KOSOVO CONTINGENT BY YEAR'S END

Foreign Minister Oskanian, speaking at a news conference September 6, stated that during his September 4 meeting with NATO Secretary General Jaap de Hoop Scheffer in Brussels, the two mainly discussed issues related to the implementation of Armenia's Individual Partnership Action Plan (IPAP). According to the Minister, one of the main tasks of the IPAP is the implementation of defense reforms and the strengthening of the civil component in the Defense Ministry. Oskanian said the only obstacles he sees on the way to completing those tasks are those of "resistance of the system, which is natural in such cases." The FM noted that by the end of the year, the number of Armenian troops participating in the KFOR peacekeeping operation in Kosovo would be doubled to 100.

## 3. "INAUGURATION" DAY IN "NKR"

September 7 marked the "inauguration" of newly elected "Nagorno Karabakh President" Bako Sahakian in Stepanakert. A large Armenian delegation attended the "ceremony," headed by President Robert Kocharian, Defense Minister Mikail Harutyunian, Foreign Minister Vartan Oskanian and Prosecutor General Aghvan Hovsepian. Delegations from South Ossetia and Abkhazia, as well as Deputy Speaker of the British House of Lords Baroness Caroline Cox, were also present. After taking his oath of office, Bako Sahakyan pledged that he will "scrupulously adhere to the principles

of a peaceful settlement of the Karabakh-Azerbaijan conflict. . .we hope that our opponents will eventually realize that there is no alternative to the full participation of the 'Nagorno Karabakh Republic' in the negotiation process." He went on to say that cooperation among Armenians in Armenia, the Armenian Diaspora and the "NKR" is needed to achieve the most important task of his presidency -- international recognition of the "Nagorno Karabakh Republic."

#### 14. AIR TAX TO TAKE FLIGHT?

The Armenian Revolutionary Federation (Dashnaktsutyun) Party (ARFD) announced plans to present a draft amendment during the upcoming session of the National Assembly that would change the way the airport departure tax is collected. Hrayr Karapetyan, Head of ARFD's Parliamentary Faction, claimed that an "air tax" such as the one collected by the GOAM is charged only in Armenia and number of African countries, and that it negatively affects Armenia's image. "I don't think that the tax should be abolished, but it could be a symbolic amount, or could be included in the price of airline tickets," Karapetyan said. (NOTE: the amount of the current departure tax is 10,000 Armenian drams, or approximately 30 USD. END NOTE.)

#### 15. BE CAREFUL WITH THAT!: GOAM REACTION TO MORE TURKISH "RECONSTRUCTIONS"

Responding to reports that the Turkish government has begun preparations to implement a five-year program aimed at rehabilitating the historical monuments in Ani, the ruined capital of medieval Armenia, Deputy Foreign Minister Gagik Gyurjyan told Radio Liberty that he hoped the GOAM would be able to involve local Armenian specialists in the Ani reconstruction through the International Organization for the Preservation of Historical Monuments. Referring to the last major Turkish reconstruction of a venerable ancient

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Armenian monument, Gyurjyan said, "If our specialists had participated in the reconstruction of St. Cross Church (on Akhtamar Island, near the city of Van), we would not have what we have now." Gyurjyan stressed that Turkey does not have the appropriate specialists to ensure that the walls of Ani will be reconstructed in the way that the original 9th-century Armenian architects envisioned. He added that anything less than a faithful reconstruction would be unacceptable.

#### 16. ARMENIAN AND RUSSIAN SCIENTISTS PROBE FOR URANIUM IN ARMENIA

According to Energy Minister Armen Movsisyan, Armenian and Russian specialists have started to research possible uranium deposits in Armenian territory. Without divulging the location of the research, Movsisyan said the "availability of uranium reserves in Armenia is a serious economic and political lever for the country and its exploitation may be very profitable." Segey Kirienko, Head of Russia's Federal Atomic Energy Agency, Rosatom, commented in Yerevan on April 23 that the deposit is located in Armenia's southernmost region of Syunik, and estimated the uranium reserves at about 30,000 tons. By previous agreement, all uranium extracted in Armenia will be enriched at the Angarsk International Center for Uranium Enrichment in Siberia.

#### 17. ITALIANS TO INTRODUCE NEW TYPE OF FARMING TO ARMENIA: WIND!

Armenian Energy Minister Armen Movsisyan told Parliament on September 7 that the Italian Gierret Company has expressed its desire to build a cascade of wind power plants (WPP) in Armenia with a total generating capacity of 270 MW. The minister noted that an earlier agreement signed with the

company stipulated an initial investment of 150-160 USD to complete the first phase of the project, which would result in a generating capacity of 90 MW. The first 2.6MW wind power facility in Armenia was built in 2005 through a 3.5 million USD grant from the Government of Iran.

#### 18. UNISTREAM REMITTANCES: LOTS OF PEOPLE SENDING LOTS OF MONEY THE CHEAP AND EASY WAY

UniBank reported that its UniStream money transfer system, which does not require a bank account and charges only 1 percent for remitted hard currency and nothing for remittances in Armenian drams, showed a 75 percent increase in money transfers in August compared with last year. This is equivalent to an increase of almost 70 million USD. According to Unibank's chairman, nearly half of the money transfers to Armenia are handled by the bank. The amount of money transfers processed by the system in the period January through August 2007 rose by 364 million USD. The total amount of remittances processed by Unibank is expected to rise to 600 million by the end of the year.

#### 19. LAS VEGAS, ATLANTIC CITY, MONTE CARLO . . . YEREVAN?

According to media reports, Storm International, Russia's second largest gambling company, will invest 300 million USD to build a casino and a network of gambling halls in Armenia. Storm International intends to invest both its own resources and those of "Armenian partners" to build a 15-hectare gambling complex to be called "Shangri-La-Yerevan." The company aims to link their casino to a 200-room five star hotel that will include a concert hall, trade center, restaurants and a night club. With Russia tightening its gambling laws, the company has been looking to other CIS countries, including Armenia, in which it can expand its gambling empire. Currently, about 50 casinos operate in Armenia under a 2002 law that precludes them from being established within 10 kilometers of the capital.

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